

VZCZCXRO5181
PP RUEHCHI RUEHDT RUEHHM RUEHNH
DE RUEHGP #1997/01 3050947
ZNY SSSSS ZZH
P 010947Z NOV 07
FM AMEMBASSY SINGAPORE
TO RUEHC/SECSTATE WASHDC PRIORITY 4344
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 2666
RUEHSW/AMEMBASSY BERN 0219
RUEHBY/AMEMBASSY CANBERRA 2014
RUEHLO/AMEMBASSY LONDON 0489
RUEHNE/AMEMBASSY NEW DELHI 1855
RUEHDE/AMCONSUL DUBAI 0073
RUEHHK/AMCONSUL HONG KONG 6272
RUEABND/DEA HQS WASHDC
RUCPDO/DEPT OF COMMERCE WASHDC
RUEAHL/DEPT OF HOMELAND SECURITY CENTER WASHINGTON DC
RUEAWJA/DEPT OF JUSTICE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEANQT/FINCEN VIENNA VA
RHEHNSC/NSC WASHINGTON DC
RUCNDT/USMISSION USUN NEW YORK 0107

S E C R E T SECTION 01 OF 05 SINGAPORE 001997

SIPDIS

SIPDIS

RANGOON FOR CA WHALEN
DEA FOR FO/FOE
TREASURY FOR MSAMARA, JSMITH, AND PDERGARABEDIAN

E.O. 12958: DECL: 10/31/2017
TAGS: [ETTC](#) [KCRM](#) [EFIN](#) [ECON](#) [ETRD](#) [PGOV](#) [SN](#)
SUBJECT: BURMA: PAVO TRADING'S FINANCIAL ACTIVITIES

SINGAPORE 00001997 001.2 OF 005

Classified By: Ambassador Patricia L. Herbold; reasons 1.4 (b) and (d)

11. (S) A person who said she is a former finance manager of Pavo Trading Pte Ltd. volunteered to meet with us on October 31 to tell us what she knew of the firm's management and business activities. The USG on October 19 designated the Singapore-based company under E.O. 13448 for providing financial and material support to the Burmese regime. Pavo Trading is owned and controlled by Tay Za, a key financial operator for the junta. We provide below her responses to questions that post coordinated with Washington. We have not independently confirmed the information she provided.

12. (S) WHAT IS YOUR WORKING RELATIONSHIP WITH TAY ZA OR HIS FAMILY MEMBERS?

Source said she is a former finance manager is a Singaporean citizen who worked for Pavo Trading from August 1, 2005 to March 5, 2007. She supervised five accounting staff. Before this, she worked as an accountant with a publicly listed Singapore company. She said that she had not heard of Pavo Trading before the company advertised the Finance Manager position in the local newspaper. After she resigned, Pavo Trading's attorneys delivered a letter informing her that they were prepared to sue her for alleged violations of the company's confidentiality requirements. Pavo Trading also filed a police report claiming that it had fired her for insubordination. She remains in contact with some "like-minded" Pavo Trading employees.

Pavo Trading is not in fact engaged in any trade-related business. Its main activity is to process inward and outward remittances for the Burmese regime, Tay Za's companies, and their affiliates. Although she was restricted from knowing anything but the most basic information related to these transactions, she observed that the money "came in and left quickly," remaining in the bank on average for only one week.

The largest single transaction she could recall was for US\$500,000. She could only remember the name of one company listed on some of these transactions -- Cheung Hin -- although she was uncertain about the spelling.

Pavo Trading, like two other Tay Za-linked companies operating in Singapore -- Air Bagan Holdings and Htoo Wood Products -- maintains accounts with all three of Singapore's banks: DBS (see para below), OCBC, and UOB. OCBC and UOB also extend loans to Tay Za and his family, as do Hong Leong Finance, ABN AMRO, Orix Leasing Singapore PTE Ltd., Maybank, EXIM Bank of Malaysia, and CIMB Group (see chart below of Tay Za's assets).

UK and U.S. banks have previously declined to open accounts for Tay Za and his companies and some Swiss banks similarly rebuffed more recent approaches in October 2006. That same month, Tay Za registered a shell company in the British Virgin Islands. Source believes, but could not confirm, that the company's name is Pavo International PTE. DBS Bank subsequently refused to open an account for Pavo International in the British Virgin Islands. She heard that DBS might have closed all of its accounts for Tay Za shortly thereafter. Additionally, Pavo Trading was rumored to have packed up its outstanding payment vouchers this past weekend and shipped them to Burma.

Besides processing financial transactions, Pavo Trading's staff purchases gifts (Rolex watches, etc.) for the junta's senior leaders and their spouses and arranges all-expenses paid trips to Singapore for both business and medical treatment.

13. (S) WHO ARE THE OWNERS/SHAREHOLDERS AND KEY OFFICERS/MANAGERS OF PAVO TRADING?

SINGAPORE 00001997 002.2 OF 005

Htoo Trading Company Ltd.: Parent company.

Tay Za: Principal shareholder and Director. Tay Za owns 99 percent of Pavo Trading's shares. The remainder are in his wife's name, as well as his business partner (in both Pavo Trading and Htoo Trading) U Lu Lu, aka Chan Kwan Lu. Source provided a copy of Tay Za's passport, which lists him as affiliated with Htoo Trading Company, Ltd.:

Number - 716711
DOB: July 18, 1964
Date of Issuance: August 30, 2005
Expiry Date: August 29, 2008
Prior Passport Number: 590416 issued July 28, 2004

U Kyaw Thein: Singapore Permanent Resident (Burmese citizen). General Manager (Pavo Trading) and Director (Pavo Trading, Air Bagan Holdings, and Htoo Wood Products Pte). He is the authorized signatory for all bank transactions. Kyaw Thein is a retired Burmese government civil servant who worked in one of the Permanent Secretary's offices, according to Source. His daughter-in-law also works for Pavo Trading.

Singapore Identity Card: S2733659J (issued July 7, 2005)
DOB: October 25, 1947
Address: 503 Sembawang Road, Singapore 757707

LOKE Lih Ping: Singapore Permanent Resident (Malaysian citizen). U Kyaw Thein's Secretary and Tay Za's rumored former or current mistress. Source informed immigration authorities earlier this year that Loke illegally obtained her permanent resident status. We were shown an original letter from the Ministry of Manpower dated October 12, 2007 noting that it had completed its prosecution of Loke's case and "passed sentence" on September 27, 2007. The Ministry did not make available details related to its decision. Loke's boyfriend, SIN Kok Wee, Jason (aka Xin Guowei, Jason; identity card no. S7917430J) is in charge of purchasing for

Pavo Trading. Source claims that Loke wields much more influence in the company than her title suggests and that Jason Sin is involved in facilitating bribes paid by the junta through Pavo Trading.

Singapore Identity Card: S7761669A (issued December 12, 2006)
DOB: April 3, 1977
Address: Apt. Blk 770 Yishun Avenue 3, no. 07-269, Singapore 760770

14. (S) PLEASE DESCRIBE THE "ILLEGAL ACTIVITIES" THAT YOU MENTION.

Pavo Trading is involved in a whole host of illegal activities, including tax evasion and making misrepresentations to obtain work permits and permanent resident status for its employees. Similarly, Air Bagan Holding's paid-up capital of US\$15 million was not provided by shareholders as stated in documents presented to Singapore's Registrar of Companies. The money remained in Singapore for approximately one week and then taken out again. Pavo Trading lists the capital as an accounts receivable, rather than as shareholder equity, on its books. Air Bagan Holdings conducts no business in Singapore other than facilitating financial transactions similar to those undertaken by Pavo Trading. Air Bagan Ltd. reportedly registered three aircraft (two ATR-72 twin turboprops and one Fokker) in Singapore in 2004 under Pavo Trading's name, but they are in fact owned directly by Tay Za. Pavo's books do not list these aircraft as assets.

15. (S) WHAT IS YOUR UNDERSTANDING OF THE RELATIONSHIP BETWEEN TAY ZA AND THE GOVERNMENT OF BURMA?

SINGAPORE 00001997 003.2 OF 005

Tay Za is very close to the junta. In addition to his regular, monthly visits to Singapore for about four to five days at a time, Tay Za is in town whenever GOB leaders are here, making a point to provide entertainment or to visit them in the hospital if they are undergoing medical treatment. The junta has reportedly given Tay Za a 1,500 hectare concession of teakwood forest in Burma in return for kickbacks from the proceeds. Tay Za has in turn contracted with an Indian company, Alkemal, which paid for the timber two years in advance. Additionally, Tay Za gave the son of Burma's Forestry Minister US\$100,000 during a visit to Singapore.

16. (S) CAN YOU IDENTIFY THE NAMES OF TAY ZA FAMILY MEMBERS? DO TAY ZA'S DAUGHTERS PLAY ANY ROLE IN HIS COMPANIES?

Tay Za is separated from his wife, Daw Thidar Zaw; they have reportedly not spoken for several years. She currently resides at the Za family residence at Cairnhill Crest in Singapore; before that, she was in the Makena Condominiums located on Singapore's East Coast, which is still counted among Tay Za's Singapore assets (see chart below). Tay Za books a suite at the Meritus Mandarin hotel during his monthly visits to Singapore.

Tay Za's eldest son, Pye Phyo Tay Za, was "kicked out" of university in Australia after three months and has returned to Singapore where he is enrolled in a private management institute. Tay Za presented him with a Lamborghini Spider for his twentieth birthday earlier this year. Like Pye Phyo before him, Tay Za's younger son (whose name the former employee could not recall) attends high school at Singapore's United World College (UWC). Source is aware of only one daughter (nickname "Nono", age 12, who recently moved to Singapore to continue her studies, and did not know of any other family members.

17. (S) ARE YOU AWARE OF ANY RELATIONSHIP BETWEEN TAY ZA AND AYER SHWE WAH COMPANY LIMITED? OR BETWEEN TAY ZA AND AUNG THET MANN, THE SON OF GENERAL THURA SHWE MANN?

Aung Thet Mann is the Director of Htoo Trading Company Limited, which is 100 percent-owned by Tay Za.

¶8. (S) WHO ARE THE KEY FINANCIAL OFFICERS/ASSOCIATES FOR TAY ZA'S FINANCES/COMPANIES IN SINGAPORE? BURMA? THAILAND?

Singapore - U Kyaw Thein

Burma - Daw Hla Hla Yi (with Htoo Trading)

Thailand - does not know

¶9. (S) WHO ARE THE OWNERS/SHAREHOLDERS AND OFFICERS/MANAGERS OF AIR BAGAN HOLDINGS PTE LTD?

Tay Za and his son, Pye Phyo Tay Za, are the primary shareholders. Tay Za is reported to own 100-percent of Air Bagan Ltd. in Rangoon. Despite the common ownership, Source indicated that tensions existed between management in Rangoon and Singapore, but could not elaborate.

¶10. (S) ANY INFORMATION REGARDING U SOE WIN, THE MANAGING DIRECTOR OF AIR BAGAN?

U Soe Win (no relation to the recently deceased Prime Minister) is Tay Za's brother-in-law.

HAVE YOU HEARD OF HTOO TRANSPORTATION SERVICES? IS THE COMPANY STILL IN EXISTENCE? HTOO TRADING COMPANY LIMITED? HTOO WOOD PRODUCTS PTE LIMITED?

SINGAPORE 00001997 004.2 OF 005

Htoo Transportation Services - unfamiliar with this company

Htoo Trading Company - based in Rangoon (see related comments above)

Htoo Wood Products - sells finished teak wood outdoor furniture, most of which is sold to Spain; sales have reportedly dropped considerably in the past year. Tay Za is the majority shareholder; the agent in Spain has a minority stake. Paid-up capital is approximately US\$100,000.

¶11. (S) ARE YOU AWARE OF ANY OTHER COMPANIES AFFILIATED WITH TAY ZA, PAVO TRADING OR AIR BAGAN?

Tay Za also owns a helicopter company based in Singapore. Source was not given access to this company's financial records and could not recall its name.

¶12. (S) As provided by Source:

U Tay Za Assets in Singapore - Company Loan Exposure

Bank/Financial...Purpose.....Loan Amt...Year (SG\$)
Institution..... ..

OCBC.....	Wintech Centre		
.....	Road #03-07/08...	195,000...	2000
UOB.....	Vehicle		
.....	Lexus 2727.....	100,000...	2005
UOB	Vehicle		
.....	Toyota Previa....	100,000...	2005
HONG LEONG.....	Vehicle		
.....	Mercedes 350.....	300,000...	2006
ABN ARMO.....	Vehicle		
.....	BMW 2727.....	250,000...	2006
Orix Leasing...	Tug Boat and		
.....	Barges.....	600,000...	2003-2005

Total Loans1,545,000

Personal Loan Exposure

UOB.....Makena Condo.. 1,400,000... 2000
UOB.....Cairnhill Crst.3,600,000... 2006
MAYBANK.....Sentosa Cove..
.....Parcel B19-9...4,500,000....2007
MAYBANK.....Lamborghini.....600,000... 2007
UOB.....Vehicle
.....Chrysler.....110,000... 2006

Total Co./Personal Loans.....11,755,000

Overseas Loan Exposure

Exim Bank Labuan.Aircraft....10,000,000... 2005
East Malaysia
CIMB KL.....Aircraft..... 12,000,000... 2007

Total Liabilities.....33,755,000

NOTES:

-- U Tay Za is separated from his wife Ma Thidar Zaw.
-- All signatures signed by Ma Thidar Zaw are forged by one
of U Tay Za's employees in Burma without her knowledge.
-- US\$1 = S\$1.5

Visit Embassy Singapore's Classified website:
<http://www.state.sg.gov/p/eap/singapore/ind ex.cfm>

SINGAPORE 00001997 005.2 OF 005

HERBOLD